

MINUTES
CINCO MUNICIPAL UTILITY DISTRICT NO. 14

September 27, 2023

The Board of Directors of Cinco Municipal Utility District No. 14 met in regular session, open to the public, on the 27th day of September, 2023, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

James Reuss	President
Patrick McDonald	Vice President
Patrick Carlson	Secretary
Leroy Mensik	Assistant Secretary
Josephine Traylor	Assistant Vice President/ Assistant Secretary

and all of the above were present except Directors Mensik and Traylor, thus constituting a quorum.

Also attending in person were Melissa Vasquez of FORVIS, LLP (“FORVIS”); Larry Mueller of BGE, Inc.; Rene Anandel of Wheeler and Associates, Inc.; Lynnette Tujague and Hussain Ali of District Data Services, Inc.; Mirna Bonilla-Odums of Inframark, LLC (“Inframark”); and Duggan Baker, Kathryn Blanton, and Franky Wallace of Allen Boone Humphries Robinson LLP (“ABHR”).

PUBLIC COMMENTS

There were no public comments.

APPROVE MINUTES

The Board considered approving the minutes of the August 23, 2023, regular meeting, submitted in advance. After review and discussion, Director Carlson moved to approve the minutes, as submitted. Director McDonald seconded the motion, which passed unanimously.

GARBAGE AND RECYCLING MATTERS

There was no discussion on this matter.

ENGAGE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2023

The Board considered authorizing FORVIS to proceed with preparation of the District’s audit report for the fiscal year ending September 30, 2023. Ms. Vasquez

reviewed FORVIS's proposal and stated the estimated cost for the audit is \$20,200 plus \$1,000 for administrative expenses, a copy of which is attached. After discussion, Director Carlson moved to authorize FORVIS to proceed with preparation of the annual audit. The motion was seconded by Director Reuss, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Tujague reviewed the bookkeeper's report, including the bills for payment, a copy of which is attached.

Ms. Tujague then presented and reviewed the proposed budget for the District's fiscal year ending September 30, 2024, a copy of which is attached to the bookkeeper's report. Discussion ensued.

Ms. Tujague reviewed the Cinco MUD 1 general fund budget for the regional facilities for the fiscal year ending September 30, 2024.

Mr. Baker presented an email from Sarah Hubbell of Willow Fork Drainage District ("WFDD"), a resident of the District, requesting \$50,000 for contribution to the Cinco Ranch Boulevard at Buffalo Bayou Underpass Project.

Following review and discussion, Director McDonald moved to: (1) approve the bookkeeper's report and payment of the bills; (2) adopt the budget for the fiscal year ending September 30, 2024, as discussed; (3) adopt the Cinco MUD 1 budget for the fiscal year ending September 30, 2024; (4) decline WFDD's request of \$50,000 from Ms. for the contribution to the Cinco Ranch Boulevard at Buffalo Bayou Underpass Project; and (5) approve Mr. Baker to draft a response to WFDD regarding the same. Director Carlson seconded the motion, which passed unanimously.

ANNUAL REVIEW OF INVESTMENT POLICY

The Board conducted its annual review of the District's Investment Policy, and Mr. Baker stated that neither ABHR nor the bookkeeper have any recommended changes. After review and discussion, Director Reuss made a motion to adopt a Resolution Regarding Annual Review of Investment Policy and to direct that a copy of the resolution be filed and retained in the District's records. Director Carlson seconded the motion, which carried unanimously.

ADOPT RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

Mr. Baker reviewed the Resolution Establishing Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. He next reviewed a list of qualified

broker/dealers provided by Ms. Tujague. After review and discussion, Director McDonald moved to adopt the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Carlson seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Anzel presented the tax assessor/collector's report for the previous month and the delinquent tax roll, copies of which are attached. She stated that 99.45% of the 2022 taxes were collected.

Following review and discussion, Director Carlson moved to approve the tax assessor/collector's report and payment of the checks drawn on the tax account. Director McDonald seconded the motion, which passed unanimously.

CONDUCT PUBLIC HEARING REGARDING DISTRICT TAX RATE, ADOPT ORDER LEVYING TAXES, AND APPROVE AMENDMENT TO DISTRICT INFORMATION FORM

Ms. Anzel stated that notice was published of the public hearing to be held at today's meeting regarding adoption of the District's proposed 2023 total tax rate of \$0.45.

The Board concurred to open the public hearing. There being no comments from the public, the Board concurred to close the public hearing.

Mr. Baker discussed an Order Levying Taxes (the "Order") reflecting the proposed 2023 tax rate. He then discussed an Amendment to Information Form (the "Amendment") reflecting the tax rate and stated that the Amendment will be filed with the Texas Commission on Environmental Quality and recorded in the Official Public Records of Fort Bend County.

After review and discussion, Director Carlson moved to: (1) adopt the Order Levying Taxes reflecting a total 2023 tax rate of \$0.45 per \$100 of assessed valuation, comprised of \$0.14 to pay debt service, \$0.21 for operations and maintenance, and \$0.10 for the contract tax requirements; (2) authorize execution of the Amendment to Information Form; and (3) direct that the Order and Amendment be filed appropriately and retained in the District's official records. Director Reuss seconded the motion, which passed by unanimous vote.

ENGINEERING MATTERS

Mr. Mueller reviewed the engineering report, a copy of which is attached.

Mr. Mueller provided an update regarding the sanitary repair along Cinco Ranch Boulevard at Claircrest.

Following review and discussion, Director McDonald moved to approve the engineering report. Director Carlson seconded the motion, which passed unanimously.

STORM WATER PERMITTING MATTERS AND STORM WATER MANAGEMENT PROGRAM

There was no discussion on this matter.

OPERATION OF DISTRICT FACILITIES

Ms. Bonilla-Odums reviewed the operator's report, a copy of which is attached, and updated the Board on facility repair and maintenance matters. She reported the water accountability was 99% for the previous month.

The Board conducted a hearing on the termination of utility service. Ms. Bonilla-Odums reported that the residents on the termination list provided to the Board were mailed written notice prior to this meeting in accordance with the Rate Order, notifying them of the opportunity to appear before the Board of Directors to explain, contest, or correct the utility service bill and to show reason why the utility service should not be terminated for reason of nonpayment.

After review and discussion, Director Carlson moved to (1) approve the operator's report; (2) authorize termination of delinquent accounts in accordance with the District's Rate Order; and (3) direct that the termination list be filed appropriately and retained in the District's official records. Director McDonald seconded the motion, which passed unanimously.

NORTH FORT BEND WATER AUTHORITY ("NFBWA") MATTERS

There was no discussion on this matter.

DISTRICT WEBSITE MATTERS

There was no discussion on this matter.

DISCUSS MEETING SCHEDULE

The Board concurred to hold the next meeting on October 25, 2023.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS ON DISTRICT OPERATIONS

Mr. Baker reviewed correspondence received regarding settlement of suits for

class actions brought against 3M and E.I. Du Pont de Nemours and Company, DuPont de Nemours Inc., The Chemours Company, The Chemours Company FC, LLC, and Corteva, Inc. (collectively, "DuPont") to resolve claims for Per- and Polyfluoroalkyl Substances in Drinking Water (each a "Settlement"). Mr. Baker requested the Board's authorization to investigate the matter further.

Following review and discussion, Director Carlson moved authorize Mr. Baker to investigate the Settlements. Director Reuss seconded the motion, which passed unanimously.

There being no further business to come before the Board, the meeting was adjourned.

Secretary, Board of Directors

(SEAL)

ATTACHMENTS TO MINUTES

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